

The Commonwealth of Massachusetts
DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY

D.T.E. 06-40

June 12, 2006

Joint Petition of Boston Edison Company, Cambridge Electric Light Company, Canal Electric Company and Commonwealth Electric Company d/b/a NSTAR Electric for Approval of Merger.

ORDER OF NOTICE

Boston Edison Company, Cambridge Electric Light Company, Canal Electric Company and Commonwealth Electric Company d/b/a NSTAR Electric, (together "Companies") shall, no later than fourteen (14) days prior to June 29, 2006, publish the attached Notice of Public Hearing and Procedural Conference in The Boston Globe and the Boston Herald. The Companies shall also serve a copy of the notice on the Chairmen of the Board of Selectmen, Mayors, Town Clerks and City Clerks of the towns and cities in the Companies' service areas, post a copy of the notice in each town or city hall in the Companies' service areas until the comment period has expired, and provide actual notice to any person who has filed a request for notice with the Companies. The Companies shall serve a copy of the notice to the distribution lists in Boston Edison Company/Commonwealth Energy System Merger, D.T.E. 99-19 (1999), and NSTAR Rate Settlement, D.T.E. 05-85 (2005), and make return of service and proof of publication at the public hearing.

By Order of the Department,

/s/
Mary L. Cottrell, Secretary



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NOTICE OF PUBLIC HEARING AND PROCEDURAL CONFERENCE

On May 26, 2006, Boston Edison Company ("Boston Edison"), Cambridge Electric Light Company ("Cambridge"), Canal Electric Company ("Canal") and Commonwealth Electric Company ("Commonwealth") (together "Companies") filed with the Department of Telecommunications and Energy ("Department") for approval pursuant to G.L. c. 164, § 96, of a proposed merger among and between the Companies to create a single electric company, NSTAR Electric Company ("NSTAR Electric"). In addition, the Companies request that the Department confirm that Boston Edison, to be renamed NSTAR Electric, as the surviving corporation of the merger, will retain all the franchise rights and obligations that were previously held by Cambridge and Commonwealth.

The Companies state that the current merger proposal is a continuation of a multi-year plan to merge the Companies into a single corporate entity. See NSTAR Rate Settlement, D.T.E. 05-85 (2005); see also Boston Edison Company/Commonwealth Energy System Merger, D.T.E. 99-19 (1999); Attorney General v. Department of Telecommunications and Energy, 438 Mass. 256 (2002).

On April 10, 2006, the Companies entered into an Agreement and Plan of Merger, which is the subject of the current filing. Under the Companies' proposal, the Companies will combine with and into Boston Edison, which will then change its corporate name to NSTAR Electric. In addition, the following will occur:

- the facilities, properties, and other rights, assets, franchises and liabilities will vest in Boston Edison;
- the debt of Cambridge and Commonwealth will be retired;
- each share of Cambridge, Commonwealth, and Canal common stock will be converted into common stock of Boston Edison;
- the common stock of Cambridge, Commonwealth, and Canal will then be cancelled, and those three companies will cease to exist;
- Boston Edison will be the sole surviving corporate entity and will change its corporate name to NSTAR Electric;

- NSTAR Electric will consolidate retail rates for Basic Service, Pension Adjustment Factor, and Transmission Service;
- NSTAR Electric will maintain separate distribution rates and transition charges for customers in the existing service territories of Boston Edison, Cambridge and Commonwealth until at least January 1, 2010, in accordance with the terms of the Settlement Agreement, approved by the Department in docket D.T.E. 05-85;
- NSTAR Electric will implement uniform depreciation rates; and
- Cambridge's 13.8 kilovolt facilities will be reclassified from transmission to distribution facilities.

According to the Companies, the proposed merger will ultimately benefit consumers by establishing common rate structures and rate tariffs. In addition, the Companies state that the merger will reduce the administrative burden of separate company filings, and will realize some efficiency gains.

The Department will conduct a public hearing to receive comments on the Companies' filing at **10:00 a.m. on Thursday, June 29, 2006**, at the Department's offices -- One South Station, Boston, Massachusetts, 02110. Following the public hearing, the Department will conduct a procedural conference.

Any person who wishes to submit written comments may do so by filing an original and five (5) copies of such comments with: Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110, no later than the close of business on **Monday, June 26, 2006**.

Any person seeking to intervene in this investigation must file an original and five (5) copies of a written petition for leave to intervene or to participate in this proceeding no later than the close of business (5:00 p.m.) on **Monday, June 26, 2006**, with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110. A petition to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03. Receipt by the Department -- not mailing -- constitutes filing and determines whether a petition is timely filed. A late-filed petition may be disallowed as untimely, unless good cause is shown for waiver. To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

In addition to paper filings with the Secretary of the Department, all written pleadings or comments must be submitted to the Department in electronic format by e-mail attachment to dte.efiling@state.ma.us and joan.evans@state.ma.us. The text of the e-mail must specify: (1) an easily identifiable case caption; (2) docket number (D.T.E. 06-40); (3) name of the person or company submitting the filing; and (4) a brief descriptive title or document (e.g., comments or petition to intervene). The electronic filing should also include the name, title and phone number of a person to contact in the event of questions about the filing. Text responses should be written in either Word Perfect (naming the document with a ".wpd" suffix) or in Microsoft Word, (naming the document with a ".doc" suffix). Data or spreadsheet responses should be compatible with Microsoft Excel. Documents submitted in electronic format will be posted on the Department's Website, www.state.ma.us/dpu/.

A copy of the Companies' filing is on file at the Department's offices, One South Station, Boston, Massachusetts for public view during business hours. Copies also are on file for public view at NSTAR Electric and Gas Corporation, 800 Boylston Street, Boston, Massachusetts. Any person desiring further information regarding the Companies' filing should contact Robert N. Werlin, Esq., at (617) 951-1400. Any person desiring further information regarding this notice should contact Joan Foster Evans, Hearing Officer, Department of Telecommunications and Energy, at (617) 305-3613.